

**CITY OF BISMARCK POLICE PENSION FUND  
INVESTMENT PERFORMANCE REPORT AS OF JULY 31, 2008**

	July-08				Current	Prior Year	3 Years	5 Years
	Allocation			Month	Fiscal YTD	FY08	Ended	Ended
	Market Value	Actual	Policy	Net ROR	Net ROR	Net ROR	6/30/2008	6/30/2008
<b>LARGE CAP DOMESTIC EQUITY</b>								
<i>Structured Growth</i>								
LA Capital	759,372	3.3%	3.4%	-1.18%	-1.18%	-6.96%	8.22%	N/A
<b>Total Structured Growth</b>	<b>759,372</b>	<b>3.3%</b>	<b>3.4%</b>	<b>-1.18%</b>	<b>-1.18%</b>	<b>-6.96%</b>	<b>8.22%</b>	<b>10.32%</b>
<i>Russell 1000 Growth</i>				-1.90%	-1.90%	-5.96%	5.91%	7.32%
<i>Structured Value</i>								
LSV	678,832	3.0%	3.4%	-0.19%	-0.19%	-22.29%	3.56%	11.19%
<i>Russell 1000 Value</i>				-0.36%	-0.36%	-18.78%	3.53%	8.92%
<i>Enhanced Russell 1000 Index</i>								
LA Capital	616,645	2.7%	2.8%	-1.72%	-1.72%	-10.70%	6.55%	9.03%
<i>Russell 1000</i>				-1.16%	-1.16%	-12.36%	4.81%	8.22%
<i>Enhanced S&amp;P 500 Index</i>								
Northern Trust	286,598	1.3%	1.4%	-0.49%	-0.49%	-15.84%	3.14%	6.72%
Westridge	639,687	2.8%	3.1%	-0.73%	-0.73%	-12.25%	4.94%	8.02%
Wells Capital	491,964	2.2%	2.4%	-3.81%	-3.81%	-31.59%	N/A	N/A
European Credit Management	303,255	1.3%	1.4%	-3.19%	-3.19%	N/A	N/A	N/A
Prudential	352,897	1.5%	1.5%	-1.17%	-1.17%	N/A	N/A	N/A
Franklin	300,534	1.3%	1.4%	-0.90%	-0.90%	-13.65%	N/A	N/A
<b>Total Enhanced S&amp;P 500 Index</b>	<b>2,374,935</b>	<b>10.4%</b>	<b>11.4%</b>	<b>-1.76%</b>	<b>-1.76%</b>	<b>-18.66%</b>	<b>2.40%</b>	<b>6.45%</b>
<i>S&amp;P 500</i>				-0.84%	-0.84%	-13.12%	4.41%	7.58%
<i>Absolute Return Strategy</i>								
Epoch	329,518	1.4%	1.4%	-2.04%	-2.04%	-6.84%	N/A	N/A
<i>S&amp;P 500</i>				-0.84%	-0.84%	-13.12%		
<i>S&amp;P 500 Index</i>								
State Street	356,392	1.6%	1.7%	-1.16%	-1.16%	-18.23%	2.99%	6.70%
<i>S&amp;P 500</i>				-0.84%	-0.84%	-13.12%	4.41%	7.58%
<b>TOTAL LARGE CAP DOMESTIC EQUITY</b>	<b>5,115,695</b>	<b>22.4%</b>	<b>24.0%</b>	<b>-1.44%</b>	<b>-1.44%</b>	<b>-16.11%</b>	<b>4.22%</b>	<b>8.17%</b>
<i>S&amp;P 500</i>				-0.84%	-0.84%	-13.12%	4.41%	7.58%
<b>SMALL CAP DOMESTIC EQUITY</b>								
<i>Manager-of-Managers</i>								
SEI	1,763,383	7.7%	8.6%	1.18%	1.18%	-22.41%	1.06%	8.52%
<i>Russell 2000 + 200bp</i>				3.87%	3.87%	-14.48%	5.88%	12.50%
Callan	744,267	3.3%	3.4%	0.49%	0.49%	-15.44%	N/A	N/A
<i>Russell 2000</i>				3.70%	3.70%	-16.19%		
<b>TOTAL SMALL CAP DOMESTIC EQUITY</b>	<b>2,507,650</b>	<b>11.0%</b>	<b>12.0%</b>	<b>0.97%</b>	<b>0.97%</b>	<b>-20.36%</b>	<b>2.11%</b>	<b>9.20%</b>
<i>Russell 2000</i>				3.70%	3.70%	-16.19%	3.79%	10.29%
<b>INTERNATIONAL EQUITY</b>								
<i>Large Cap - Core</i>								
State Street	244,795	1.1%	1.1%	-3.73%	-3.73%	-13.11%	12.40%	14.27%
<i>MSCI EAFE (1)</i>				-3.21%	-3.21%	-10.61%	12.84%	14.86%
<i>Large Cap - Active</i>								
Capital Guardian	753,986	3.3%	3.3%	-3.93%	-3.93%	-13.89%	11.58%	14.15%
LSV	709,283	3.1%	3.3%	-2.78%	-2.78%	-23.98%	8.07%	N/A
<b>Total Large Cap - Active</b>	<b>1,463,269</b>	<b>6.4%</b>	<b>7.7%</b>	<b>-3.38%</b>	<b>-3.38%</b>	<b>-20.05%</b>	<b>9.04%</b>	<b>13.03%</b>
<i>MSCI EAFE - 50% Hedged</i>				-2.64%	-2.64%	-15.14%	10.93%	14.67%
<i>Small Cap - Active</i>								
DFA	237,805	1.0%	1.1%	-0.44%	-0.44%	N/A	N/A	N/A
Wellington	242,632	1.1%	1.1%	-5.49%	-5.49%	-15.19%	9.83%	16.11%
<b>Total Small Cap - Active</b>	<b>480,437</b>	<b>2.1%</b>	<b>2.2%</b>	<b>-3.00%</b>	<b>-3.00%</b>	<b>-15.60%</b>	<b>9.53%</b>	<b>16.89%</b>
<i>S&amp;P/Citigroup BMI EPAC &lt; \$2BN</i>				-4.30%	-4.30%	-19.12%	10.36%	19.26%
<b>TOTAL INTERNATIONAL EQUITY</b>	<b>2,188,501</b>	<b>9.6%</b>	<b>11.0%</b>	<b>-3.33%</b>	<b>-3.33%</b>	<b>-18.47%</b>	<b>9.51%</b>	<b>13.93%</b>
<i>MSCI EAFE - 50% Hedged</i>				-2.64%	-2.64%	-15.14%	10.93%	14.67%
<b>EMERGING MARKETS EQUITY</b>								
<i>Core</i>								
JP Morgan	110,335	0.5%	0.5%	-3.11%	-3.11%	3.57%	N/A	N/A
PanAgora	112,596	0.5%	0.5%	-3.88%	-3.88%	7.21%	N/A	N/A
WestLB	115,898	0.5%	0.5%	-4.13%	-4.13%	11.12%	N/A	N/A
UBS	151,649	0.7%	0.9%	-4.18%	-4.18%	5.82%	N/A	N/A
<b>Total Core</b>	<b>490,479</b>	<b>2.1%</b>	<b>2.4%</b>	<b>-3.87%</b>	<b>-3.87%</b>	<b>6.87%</b>	<b>27.76%</b>	<b>29.00%</b>
<i>MSCI Emerging Markets</i>				-3.69%	-3.69%	4.89%	27.52%	22.84%
<i>Small Cap</i>								
DFA	115,404	0.5%	0.6%	-1.57%	-1.57%	-13.68%	N/A	N/A
<i>MSCI Emerging Markets</i>				-3.69%	-3.69%	4.89%		
<i>Private Equity</i>								
Capital International	41,966	0.2%	0.2%	0.00%	0.00%	N/A	N/A	N/A
<i>MSCI Emerging Markets</i>				-3.69%	-3.69%			
<b>TOTAL EMERGING MARKETS EQUITY</b>	<b>647,849</b>	<b>2.8%</b>	<b>3.0%</b>	<b>-3.25%</b>	<b>-3.25%</b>	<b>2.99%</b>	<b>27.07%</b>	<b>28.58%</b>
<i>MSCI Emerging Markets</i>				-3.69%	-3.69%	4.89%	27.52%	30.15%

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		Actual	Policy	Net ROR	Net ROR	Net	6/30/2008	6/30/2008
<b>DOMESTIC FIXED INCOME</b>								
<b>Core Bond</b>								
<b>Western Asset</b>	450,399	2.0%	1.9%	-2.53%	-2.53%	-0.30%	1.78%	2.90%
Lehman Aggregate				-0.06%	-0.08%	7.12%	4.09%	3.86%
<b>Index</b>								
Bank of ND	714,332	3.1%	3.3%	0.04%	0.04%	7.70%	3.93%	3.57%
<b>Total Index</b>	714,332	3.1%	3.3%	0.04%	0.04%	7.70%	4.17%	3.91%
Lehman Gov/Credit				0.00%	0.00%	7.24%	3.84%	3.58%
<b>Enhanced</b>								
<b>Westridge</b>	426,066	1.9%	1.6%	0.92%	0.92%	N/A	N/A	N/A
Lehman Aggregate				-0.08%	-0.08%			
<b>Convertibles</b>								
Calamos (2)	476,641	2.1%	1.9%	-1.31%	-1.31%	-2.86%	N/A	N/A
<b>Total Convertibles</b>	476,641	2.1%	1.9%	-1.31%	-1.31%	-2.86%	4.55%	2.71%
Merrill Lynch All Convertibles (3)				-3.13%	-3.13%	-6.36%	5.72%	6.36%
<b>BBB Average Quality</b>								
<b>Wells Capital</b>	583,080	2.6%	1.9%	-0.60%	-0.60%	3.70%	3.26%	4.56%
Lehman BBB				-0.67%	-0.67%	2.62%	2.52%	3.44%
<b>Senior Debt</b>								
<b>PIMCO</b>	79,084	0.3%	1.9%	N/A	N/A	N/A	N/A	N/A
Lehman Aggregate				-0.08%	-0.08%	7.12%		
<b>Private Debt</b>								
<b>Prudential</b>	466,522	2.0%	1.9%	0.27%	0.27%	3.32%	3.41%	N/A
Lehman Aggregate				-0.08%	-0.08%	7.12%		
<b>Timberland</b>								
TIR - Teredo (4)	581,785	2.5%	2.5%	-0.05%	-0.05%	22.02%	15.15%	14.07%
TIR - Springbank	1,280,108	5.6%	5.6%	-0.14%	-0.14%	15.25%	18.41%	N/A
<b>Total Timberland</b>	1,861,892	8.2%	8.2%	-0.11%	-0.11%	17.50%	17.86%	21.14%
NCREIF Timberland Index				0.34%	0.34%	19.96%	17.12%	14.70%
<b>Infrastructure</b>								
<b>JP Morgan</b>	900,577	3.9%	3.9%	-0.13%	-0.13%	13.28%	N/A	N/A
<b>TOTAL DOMESTIC FIXED INCOME</b>	5,958,593	26.1%	24.5%	-0.32%	-0.32%	9.02%	8.15%	9.65%
Lehman Aggregate				-0.08%	-0.08%	7.12%	4.09%	3.86%
<b>HIGH YIELD BONDS</b>								
<b>Core</b>								
Loomis Sayles	568,071	2.5%	2.0%	-1.44%	-1.44%	-1.43%	5.39%	N/A
Sutter/Wells Capital	501,239	2.2%	2.0%	-1.35%	-1.35%	-6.12%	2.58%	N/A
<b>Total Core</b>	1,069,310	4.7%	3.9%	-1.40%	-1.40%	-3.71%	4.01%	4.88%
LB High Yield 2% Issuer Contstrained Index				-1.25%	-1.25%	-1.75%	4.48%	N/A
<b>Mezzanine Debt</b>								
Goldman Sachs 2006 Fund	32,504	0.1%	0.1%	0.00%	0.00%	-3.89%	N/A	N/A
Goldman Sachs Fund V	43,873	0.2%	0.2%	0.00%	0.00%	N/A	N/A	N/A
TCW	77,640	0.3%	0.3%	0.00%	0.00%	7.26%	N/A	N/A
<b>Total Mezzanine Debt</b>	154,017	0.7%	0.7%	0.00%	0.00%	0.49%	N/A	N/A
LB High Yield 2% Issuer Contstrained Index				-1.25%	-1.25%	-1.75%		
<b>Distressed Mortgages</b>								
PIMCO	76,489	0.3%	0.3%	0.00%	0.00%	N/A	N/A	N/A
Declaration Management	19,453	0.1%	0.1%	0.96%	0.96%	N/A	N/A	N/A
<b>Total Distressed Mortgages</b>	95,942	0.4%	0.4%	0.22%	0.22%	N/A	N/A	N/A
LB High Yield 2% Issuer Contstrained Index				-1.25%	-1.25%			
<b>TOTAL HIGH YIELD BONDS</b>	1,319,269	5.8%	5.0%	-1.15%	-1.15%	-4.27%	3.82%	6.32%
LB High Yield 2% Issuer Contstrained Index				-1.25%	-1.25%	-1.75%	4.48%	6.88%
<b>INTERNATIONAL FIXED INCOME</b>								
<b>International Sovereign</b>								
<b>UBS Global (Brinson)</b>	1,009,711	4.4%	4.5%	0.37%	0.37%	17.24%	5.56%	6.49%
Citigroup Non-US Gov't Bond Index (5)				0.16%	0.16%	18.73%	6.63%	7.04%
<b>International Core</b>								
<b>Brandywine</b>	1,073,267	4.7%	4.5%	0.85%	0.85%	10.78%	7.06%	8.51%
Lehman Global Aggregate (ex-US)				0.27%	0.27%	16.53%	7.88%	7.38%
<b>TOTAL INTERNATIONAL FIXED INCOME</b>	2,082,977	9.1%	9.0%	0.62%	0.62%	13.90%	6.31%	7.50%
Citigroup Non-US Gov't Bond Index (5)				0.16%	0.16%	18.73%	6.66%	7.06%
<b>REAL ESTATE</b>								
INVESCO - Core	946,004			-0.03%	-0.03%	8.27%	N/A	N/A
INVESCO - Fund II	20,629			0.00%	0.00%	N/A	N/A	N/A
J.P. Morgan Strategic & Special Funds	892,793			-0.22%	-0.22%	5.69%	15.27%	15.26%
J.P. Morgan Alternative Property Fund	240,094			-0.20%	-0.20%	4.59%	N/A	N/A
J.P. Morgan Greater China Property Fund	22,972			0.00%	0.00%	N/A	N/A	N/A
<b>TOTAL REAL ESTATE</b>	2,122,492	9.3%	8.5%	-0.13%	-0.13%	6.31%	15.27%	15.26%
NCREIF TOTAL INDEX				0.19%	0.19%	9.20%	14.82%	14.63%

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						Net	Net
<b>ALTERNATIVE INVESTMENTS</b>							
Coral Partners V	30,989			0.00%	0.00%	5.22%	-8.23%
Coral Partners V - Supplemental	3,619			0.00%	-6.34%	3.94%	6.41%
Coral Momentum Fund (Formerly Fund VI)	51,936			0.00%	13.96%	-3.63%	-7.09%
Brinson 1998 Partnership Fund	3,678			0.00%	6.92%	17.74%	16.40%
Brinson 1999 Partnership Fund	11,104			0.00%	13.32%	15.81%	14.25%
Brinson 2000 Partnership Fund	37,257			0.00%	21.82%	21.03%	17.78%
Brinson 2001 Partnership Fund	31,349			0.00%	2.23%	12.37%	9.49%
Brinson 2002 Partnership Fund	17,048			0.00%	3.20%	14.93%	10.72%
Brinson 2003 Partnership Fund	5,839			0.00%	-6.42%	16.42%	8.89%
Total Brinson Partnership Funds	106,274			0.00%	13.85%	17.75%	14.80%
Brinson 1999 Non-US Partnership Fund	5,270			0.00%	-9.78%	38.86%	33.76%
Brinson 2000 Non-US Partnership Fund	12,778			0.00%	27.03%	38.56%	28.82%
Brinson 2001 Non-US Partnership Fund	8,634			0.00%	13.44%	15.89%	14.66%
Brinson 2002 Non-US Partnership Fund	21,890			0.00%	14.08%	43.86%	31.81%
Brinson 2003 Non-US Partnership Fund	18,734			0.00%	24.92%	42.47%	23.29%
Brinson 2004 Non-US Partnership Fund	8,995			0.00%	29.16%	25.88%	N/A
Total Brinson Non-US Partnership Fund	76,301			0.00%	18.83%	37.12%	28.34%
Adams Street 2008 Non-US Partnership Fd	1,409			0.00%	N/A	N/A	N/A
Brinson BVCF IV	52,122			0.00%	-1.94%	7.62%	9.88%
Adams Street Direct Co-investment Fund	57,292			0.00%	4.06%	N/A	N/A
Matlin Patterson Global Opportunities	28,352			0.00%	-29.56%	-11.62%	9.60%
Matlin Patterson Global Opportunities II	120,321			0.00%	-5.55%	8.69%	N/A
Matlin Patterson Global Opportunities III	59,587			0.00%	-20.02%	N/A	N/A
InvestAmerica	28,585			0.00%	27.36%	13.22%	1.67%
Hearthstone MSII	309			0.00%	-62.01%	-100.00%	-100.00%
Hearthstone MSIII	5,374			0.00%	-10.75%	63.82%	N/A
Corsair III	50,459			0.00%	64.04%	N/A	N/A
Corsair III - ND Investors LLC	36,185			0.00%	N/A	N/A	N/A
Quantum Resources	10,821			0.00%	-52.44%	N/A	N/A
Quantum Energy Partners	9,094			0.00%	-3.17%	N/A	N/A
<b>TOTAL ALTERNATIVE INVESTMENTS (6)</b>	<b>729,032</b>	<b>3.2%</b>	<b>3.0%</b>	<b>0.00%</b>	<b>3.86%</b>	<b>10.51%</b>	<b>11.17%</b>
<b>CASH EQUIVALENTS</b>							
<i>Northern Trust STIF/STEP</i>	<b>144,819</b>	<b>0.6%</b>	<b>0.0%</b>	<b>0.19%</b>	<b>0.70%</b>	<b>3.40%</b>	<b>2.76%</b>
<i>90 Day T-Bill</i>				<i>0.18%</i>	<i>0.18%</i>	<i>4.27%</i>	<i>3.18%</i>
<b>TOTAL FUND</b>	<b>22,816,877</b>	<b>100.0%</b>	<b>100.0%</b>	<b>-0.75%</b>	<b>-0.42%</b>	<b>8.95%</b>	<b>11.22%</b>
<b>POLICY TARGET BENCHMARK</b>				<b>-0.23%</b>	<b>1.00%</b>	<b>7.47%</b>	<b>8.98%</b>

**NOTE: Monthly returns and market values are preliminary and subject to change.**

(1) This benchmark was changed to the MSCI EAFE (unhedged) as of December 1, 2004.

(2) TCW was terminated on September 22, 2006. The portfolio was transferred to Calamos on October 5, 2006.

(3) Prior to January 1, 2005, the benchmark was the First Boston Convertible Index.

(4) Prior to June 1, 2006, the Toredon properties were under the management of RMK.

(5) Previously this benchmark was titled Salomon Brothers Non-US Gov't Bond Index.

(6) Because of the variation in fee calculations in Alternative Investments, only net returns will be shown until June of each year when actual